

Professional Indemnity Insurance Proposal Form Insurance Brokers & Intermediaries (with addendums for Underwriting Agencies and Authorised Representatives)

IMPORTANT NOTICE

Your Duty of Disclosure

Before you enter into a contract of general insurance with any insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter you know or could reasonably be expected to know to be a matter relevant to the decision of the insurer whether to accept the risk and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurers;
- that is common knowledge;
- that the insurers know or, in the ordinary course of business as insurers, ought to know; or
- as to which compliance with your duty is waived by the insurers.

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (for example, claims, whether founded or unfounded), is of the utmost importance with this type of insurance.

If you do not understand any part of this Proposal Form, seek advice from your professional insurance adviser, as you will be bound by your answers and any of the information provided by you.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Claims Made & Notified Insurance

This insurance is written on a "claims made and notified" basis. This means that the insurer indemnifies you for Claims (as defined) that are made against you during the period of insurance and notified to the Insurer during the period of insurance. The policy does **not** provide cover for any claims made against you during the period of insurance if at any time prior to commencement of the period of insurance you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you gave notice in writing to the insurer of any facts that might give rise to a Claim against you as soon as reasonably practical after you become aware of those facts, but before the

expiry of the period of insurance, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it was made after the period of insurance had expired.

The policy does not cover your civil liability for breach of professional duty arising from any claim:

- first made prior to the inception of the Policy;
 - directly or indirectly based upon, or attributable to, or in consequence of, any incident, occurrence, fact or matter which you knew or ought or should have reasonably known, had the potential to give rise to a claim under the Policy; or
 - directly or indirectly based upon, or attributable to, or in consequence of any fact, matter, circumstance or occurrence which has been notified under any other insurance attaching prior to the inception date of the Policy.
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Retroactive Date

The proposed insurance may be limited by a retroactive date. If so, the policy will not cover any claims or circumstances arising from any events, omissions or conduct prior to such retroactive date.

Subrogation

Where you have prejudiced the insurer's rights to recover a loss from another party, this may have the effect of excluding or limiting the insurers liability in respect of that loss.

Change in Risk or Circumstances

You should advise the insurer(s) as soon as practicable of any material change in your business activities (as disclosed in the Proposal Form).

Privacy

New privacy legislation took effect on 21st December 2001. The legislation regulates the way private sector organizations can collect, use, keep, secure and disclose personal information. We have developed a privacy policy that explains what sort of personal information we hold about you and what we do with that information. Please refer to our website for a copy of our Privacy Statement.

Additional Notes

If there is insufficient space to adequately complete your answers, please provide further details on your letterhead, clearly identifying the question referenced.

PROPOSERS DETAILS

New Business

Renewal to Newline



1. Name of Firm to be Insured (including any predecessors):

Entity to be Insured	ABN	Commencement Date

2. Address of the Firm:

3. Website of Firm (if applicable):

www.

4. Contact Details:

Contact Person	
Email	
Telephone	

5. Date since the Firm has continuously carried on the business:

6. Australian Financial Services Licence Number::

7. Who are your Responsible Officers?

Name:	Position:

8. Please provide details of the Principal(s) of the Firm:

Name in full of all Partners / Principals / Directors	Qualifications	Date Qualified	How many years as a Partner / Principal / Director	
			This Practice	Prior Practice

9. Please state total numbers of:

Principals/Directors		Other Technical Staff	
Qualified staff		Administrative/Other staff	

10. In the past five (5) years, has your staff size increased or decreased by more than 50% Yes No

11. Does the Firm belong to any Professional Associations or Industry Groupings? Yes No

If Yes, please provide details:

NIBA Steadfast AIMS IIBA UAC Other _____

12. If a sole practitioner, does the Proposer have a locum arrangement in force for periods of absence from the office due to leave or sickness?
 Yes No

FEE INCOME INFORMATION

13. a) Please provide details of Premium and Income for the following financial years:

		Last Year	Current Year	Estimated Year
Year End (Month / Year)		/	/	/
Total Gross Written Annual Premium		\$	\$	\$
Total Gross Annual Fees / Commissions	Your Staff	\$	\$	\$
	Authorised Representatives	\$	\$	\$
TOTAL		\$	\$	\$

b) Percentage of work undertaken overseas (Last Year)

USA / Canada:	%	Elsewhere Overseas:	%
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c) Please indicate Fee / Commission income (from Last Year) attributable to each of the following:

	PERSONAL	COMMERCIAL	TOTAL
Motor	%	%	%
Household	%	N/A	%
Other Personal	%	%	%
Personal Accident	%	%	%
Aviation	%	%	%
Marine Cargo & Hull	%	%	%
Bloodstock	N/A	%	%
Property Insurance / ISR	N/A	%	%
General / Excess Liability	N/A	%	%
Professional Indemnity	N/A	%	%
Directors' & Officers' Liability	N/A	%	%
Office / Business Packs	N/A	%	%
Workers' Compensation	N/A	%	%
Other Commercial	N/A	%	%
Captive Management	N/A	%	%
Actuarial Services	N/A	%	%
Reinsurance	%	%	%
Underwriting Agency / Binding Authority *	%	%	%
Risk Management	N/A	%	%
Loss Assessing/Claims Adjusting	N/A	%	%
Financial Planning	%	%	%
Life Insurance	%	%	%
Medical / Health	%	%	%
Mortgage Broking	%	%	%
Other – Please provide full details below:	%	%	%
Total	%	%	100%

* Please complete the separate Underwriting Agency / Binding Authority Addendum attached.

income by geographical area:

(d) Please provide a percentage split of your

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas
%	%	%	%	%	%	%	%	%

(e) What percentage of fees was derived from your largest client Last Year?

	%
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(f) List the current top five(5) insurance companies for whom you produce premium (from Last Year):

Insurer	Premium
1	\$
2	\$
3	\$
4	\$
5	\$

GENERAL INFORMATION

14. (a) Has the Firm or any person or entity for whom insurance is now sought ever been the subject of disciplinary proceedings by any professional organisation? Yes No

(b) In the last 5 years, has the firm merged with or acquired the business of any sole practitioner or any other business entity? Yes No

If **Yes** to the above, please give full details (including whether you are responsible for any subsequent PI claims notified):

(c) Do you anticipate any material changes to the firm or its practice within the next 12 months? Yes No

If **Yes** to any of the above, please give full details:

(d) Do you ever sign Proposal Forms on behalf of any clients or potential clients? Yes No

If **Yes**, how do you ensure the information is accurate, full and complete?

(e) Do you have on-line facilities for arranging insurance contracts, issuing policies or schedules? Yes No

If **Yes**, please detail the facilities you use:

(f) Can clients bind insurance covers via your website? Yes No

If **Yes**, please provide details (including types of business, insurers, typical limits, etc ...)

OPTIONAL COVERAGE EXTENSIONS

15. Do you require cover for the **previous business activities** of any Partner / Principal / Director? Yes No

If **Yes**, Please complete the following, if **No** please proceed to question 16.

Name of Principal		
Name of Practice		
Position at Practice		
Period at Practice		
Fees for Practice (last complete year)	\$	\$
Reason for Leaving		

16. Do you require the cover to indemnify you in respect of any **Joint Ventures** you are involved in? Yes No

If **Yes**, give full details of the nature of the Joint Venture and the parties involved:

17. Do you require any **Fidelity** cover? Yes No

If **No**, go directly to Question 18. If **Yes**, please complete the balance of Question 17.

(a) Are satisfactory written references obtained from former employers for at least three years prior to the engagement of any employee responsible for money, accounts or goods? Yes No

(b) Has the proposer/s suffered any loss through fraud or dishonesty or are you aware, **AFTER ENQUIRY**, of any circumstances which might give rise to a loss against the Firm? Yes No

If **Yes**, state date, circumstances, amount and steps taken to prevent a recurrence:

(c) Do all cheques drawn for more than \$5,000 require at least two signatures? Yes No

(d) Is cash in hand and petty cash and bank reconciliation checked independently of those employees responsible for cash or to deposit into or withdraw from bank accounts? Yes No

(e) Are bank statements, receipts, counterfoils and supporting documents checked at least monthly against the cash book entries independently of those employees making cash book entries or paying into the bank? Yes No

(f) Are employees receiving cash and cheques in the course of their duties required to pay in daily? Yes No

18. Do you engage any **Authorised Representatives**? Yes No

If **Yes**, please complete the attached *Authorised Representatives Addendum and Supplementary Addendum*

19. Do you hold a **Binding Authority / Underwriting Agency** with any insurer? Yes No

If **Yes**, please complete the attached *Binding Authority Addendum*.

20. Do you expect to place any business with any DOFI's / Unauthorised Foreign Insurers Yes No

If **Yes**, please provide details:

INSURANCE HISTORY

21. Has the Firm (or its predecessors) had any insurer decline a proposal, impose special terms or had a similar insurance cancelled or refused to renew? Yes No

If **Yes**, please provide full details:

22. Are you currently insured for Professional Indemnity insurance? Yes No

If **Yes**, please confirm:

Name of Insurer(s)	
Limit of Indemnity	
Retroactive Date	
Premium (excl GST & Stamp Duty)	
Excess	
Renewal Date	

LIMITS & EXCESS

23. (a) For what Limit/s of Indemnity are quotations required?
 \$2,000,000 \$3,000,000 5,000,000 \$10,000,000 \$20,000,000

Other - Please specify:

\$

- (c) There will be a minimum level of uninsured excess. Is a quotation required with a voluntary excess to achieve a premium saving? Please tick as appropriate:

\$5,000 10,000 \$20,000 \$50,000

Other - Please specify:

\$

CLAIMS INFORMATION

24. (a) If an insurance similar to that now proposed has been or is now in effect would any claim which has been made or which is now pending against any persons proposed for insurance fall within the scope of such insurance? Yes No

If **Yes**, please give details including date and cost/estimated cost of claim/loss:

If **Yes**, what steps have been taken to prevent a recurrence?

- (b) Is any person aware, AFTER ENQUIRY, of any circumstances or incidents which he/she has reason to believe might give rise to any claim against the Directors, Officers or Employees of the Firm? **Yes** **No**

If **Yes**, please give details including estimated cost of claim/loss:

RISK MANAGEMENT

25. Do you have any quality assurance systems or risk management programmes? **Yes** **No**

If **Yes**, please provide details:

26. Is it standard office procedure to:
- (a) Document all telephone conversations? **Yes** **No**
- (b) Maintain a policy expiration list? **Yes** **No**
- (c) Check all applications / proposals, policies and endorsements for accuracy? **Yes** **No**
- (d) Maintain a diary / suspense system? **Yes** **No**
27. How often do your management monitor and discuss your Complaints Register?
Weekly **Monthly** **Quarterly** **Annually**
28. Do you ensure that all of your professional staff and Authorised Representatives are adequately trained and suitable for their positions? Do you ensure that they complete the necessary continuing professional development education required? Do you monitor their continuing professional development education? **Yes** **No**

DECLARATION

I hereby declare that:

1. I am authorised to complete this Proposal Form and to accept the quotation terms for this insurance on behalf or the Firm referred to in Question 1 (including on behalf of its partners, principals and directors); and
2. All answers to the questions contained in this Proposal Form are, AFTER ENQUIRY, true and correct to the best of my knowledge and belief and that no material facts have been misstated, omitted or suppressed; and
3. I have received the Important Notice at the beginning of this Proposal Form and I have read and understood the contents therein; and
4. I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Underwriters of any change in the particulars or statements contained in this Proposal Form or accompanying documents; and
5. I understand that the submission of this Proposal Form does not bind either the Underwriters or the Firm specified in Question 1 to enter into a binding contract of insurance.

Signed: _____

Capacity: _____

Company: _____

Date: _____

A copy of this proposal should be retained by you for your own records.

AUTHORISED REPRESENTATIVES ADDENDUM

1. Do you engage any **Individual** Authorised Representative(s)? Yes No
- If **No**, go to Question 5. If **Yes**, please provide the following information in respect of the individual Authorised Representatives that you have engaged:

Name of Individual Authorised Representative	Age	Qualifications	Insurance Experience (Years)

2. Do the Authorised Representative(s) detailed above maintain their own professional Indemnity insurance? Yes No
3. If **No**, do you want them covered under the Firm's Professional Indemnity policy? Yes No
4. If **Yes** to Question 3, **each** individual Authorised Representative is to complete the following Supplementary Addendum.

5. Do you engage any **Corporate** Authorised Representative(s)? Yes No
- If **Yes**, please provide the following information in respect of the corporate Authorised Representatives that you have engaged:

Name of Corporate Authorised Representative	Nature of Business	Years as Authorised Representative

6. Do the Authorised Representative(s) detailed above maintain their own professional Indemnity insurance? Yes No
7. If **No**, do you want them covered under the Firm's Professional Indemnity policy? Yes No
8. If **Yes** to Question 7, **each** corporate Authorised Representative is to complete the following Supplementary Addendum.

9. How do you select, control and supervise your Authorised Representatives?

10. Do you have a formal written agreement with your Authorised representative(s)? Yes No
- If **Yes**, please attach a copy to this Proposal Form
11. Have you investigated and declared all past and present potential and actual Professional Indemnity claims made against your Authorised Representatives? Yes No

DECLARATION

I hereby declare that:

- I am authorised to complete this Addendum on behalf of the Firm referred to in Question 1 of the Proposal Form (including on behalf of its partners, principals and directors); and
- All answers to the questions contained in this Addendum are, AFTER ENQUIRY, true and correct to the best of my knowledge and belief and that no material facts have been misstated, omitted or suppressed; and
- I have read the Important Notice at the beginning of the Proposal Form and I have read and understood the contents therein; and
- I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Underwriters of any change in the particulars or statements contained in this Addendum.

Signed by:		Capacity:	
Company:		Date:	

AUTHORISED REPRESENTATIVE (Supplementary Addendum)

*To be completed by **each** individual or corporate Authorised Representative seeking cover.*

- Representative Number: _____
- Please provide details of Premium and Income for the following financial years:

	Last Year	Current Year	Estimated Year
Year End (Month / Year)	/	/	/
Total Gross Annual Fees / Commissions	\$	\$	\$

- Of Last Year's Fees and Commissions, please complete the following table:

	PERSONAL	COMMERCIAL	TOTAL
Motor	%	%	%
Household	%	N/A	%
Other Personal	%	%	%
Personal Accident	%	%	%
Construction / Pl / Aviation / Marine	%	%	%
Bloodstock	N/A	%	%
Commercial - Motor	N/A	%	%
Commercial – All Other	N/A	%	%
Underwriting Agency / Binding Authority	%	%	%
Financial Planning	%	%	%
Life Insurance	%	%	%
Mortgage Broking	%	%	%
Other – Please provide full details below:			
	%	%	%
Total	%	%	100%

- If insurance similar to that now proposed has been or is now in effect would any claim which has been made or which is now pending against any persons proposed for insurance fall within the scope of such insurance?
 Yes No

If **Yes**, please give details including date and cost/estimated cost of claim/loss: If **Yes**, what steps have been taken to prevent a recurrence?

- Is any person aware, AFTER ENQUIRY, of any circumstances or incidents which he/she has reason to believe might give rise to any claim against the Directors, Officers or Employees of the Firm?
 Yes No

If **Yes**, please give details including estimated cost of claim/loss:

DECLARATION

I hereby declare that:

- I am authorised to complete this Supplementary Addendum as an Authorised Representative of the Firm referred to in Question 1 of the Proposal Form; and
- All answers to the questions contained in this Addendum are, AFTER ENQUIRY, true and correct to the best of my knowledge and belief and that no material facts have been misstated, omitted or suppressed; and
- I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Underwriters of any change in the particulars or statements contained in this Addendum.

Signed by:		Capacity:	
Company:		Date:	

BINDING AUTHORITY / UNDERWRITING AGENCY ADDENDUM

- Are you **ONLY** able to accept business on rates / terms pre-agreed by insurers? Yes No

2. If **No**, are all rates agreed on a **PRIOR SUBMIT** basis? Yes No

3. If **No**, please provide full details of the authority held to vary rates/ terms within the Agreement.

4. For all business subject to a Binding Authority with any insurer, please complete the following:

Insurer	Class of Insurance	Binding Authority Limit	Expected Annual Premium	Date Agreement Commenced	Last Audit Date	Approx. Number of Policies

5. Number of policies issued annually? _____

6. How many of your offices have Binding Authority? _____

7. Where does the business originate?

Australia	%	New Zealand	%	USA / Canada	%	Elsewhere	%
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8. Premium / Income Split:

	Last Year	Current Year	Estimated Year
Year End (Month / Year)	/	/	/
Total Gross Written Annual Premium	\$	\$	\$
Total Gross Commission / Fees / Earnings	\$	\$	\$

9. Do you place any reinsurance protection on behalf of those insurers for whom you accept risk any Binding Authority? Yes No

10. Who has authority to accept and bind risks under the Binding Authority?

Name	Title	Qualifications	Years of Experience

11. Please describe the normal manner in which business is accepted? Are there any restrictions within the firm as to who within the firm may accept risk?

12. Do you delegate any authority to any outside Agent, Firm or Organisation? Yes No

13. Do formal underwriting guidelines exist? Yes No

14. What measures are in place to ensure guidelines are complied with at all times?

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15. Are you authorised to settle claims? Yes No

If **Yes**, please provide details below:

Insurer	Class of Insurance	Maximum Limits	Number of claims settled in last 12 months

If **No**, who undertakes the claims management process?

The Insurer providing the Binding Authority TPA If a TPA, who: _____

16. Have any Binding Authorities been terminated in the last five (5) years? Yes No

If **Yes**, please provide details below:

Insurer	Class of Business	Date Agreement Terminated	Reason for Termination

DECLARATION

I hereby declare that:

1. I am authorised to complete this Addendum on behalf of the Firm referred to in Question 1 of the Proposal Form(including on behalf of its partners, principals and directors); and
2. All answers to the questions contained in this Addendum are, AFTER ENQUIRY, true and correct to the best of my knowledge and belief and that no material facts have been misstated, omitted or suppressed; and
3. I have read the Important Notice at the beginning of the Proposal Form and I have read and understood the contents therein; and
4. I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Underwriters of any change in the particulars or statements contained in this Addendum.

Signed by:		Capacity:	
Company:		Date:	